

Proposed Service Standard Rule Change for Destination Sectional Center Facility Change

Frequently Asked Questions

1. Will this change be for all Standard Mail or just Standard Mail flats? Will the change in the service standard only be for Standard Mail flats?

Answer: The change applies to all DSCF rate Standard Mail – letters, flats and parcels. When a final decision is made at the conclusion of the rulemaking, our service standard matrix will be updated to reflect the change.

2. FAST appointments on late Thursday and on Friday's are already difficult to get. Some appointments are available, but plant capacity indicates zero which means that mail cannot be entered on Friday and must shift to Saturday-which costs (in some scenarios) double freight costs...that cannot be passed along to the mail owners.

Answer: We anticipate that this rule will open up additional FAST appointments on Friday.

3. The change may affect our schedules and ability to meet an in-home day, most especially if the project is already off schedule. The biggest impact is for mail entered (dropped) on Friday and Saturday (no Sunday drops), which are key production days in our current schedules. If our cut-off is 4pm Thursday, that will take 2 ½ days off our delivery to meet a Monday in-home day.

Answer: In today's environment mail dropped from Wednesday at 1600 until Friday at 1600 is expected to be delivered no later than Monday. Mail dropped after 1600 on Friday is expected to be delivered no later than Tuesday.

Under the proposed rule change, mail dropped from Wednesday at 1600 until Thursday at 1600 is still expected to be delivered no later than Monday. Mail dropped Thursday at 1600 until Friday at 1600 will have a no later than Tuesday delivery expectation (one day later than our current standard). Mail dropped Friday at 1600 until Saturday at 1600 will have a no later than Wednesday delivery expectation (one day later than our current standard). The biggest impact is an additional day.

4. What is the impact of five day delivery?

Answer: The Load Leveling initiative is separate from the five-day initiative. Hypothetically, if the Postal Service were to go to a five-day mail, six-day parcel environment, and volume of mail delivered today on a Saturday simply shifted to Monday, the imbalance across the days of the week would be exacerbated in that environment without Load Leveling.

Early Delivery of Mail / Predictability of Mail Delivery

5. Early delivery of mail entered on Thursday, Friday and Saturday delivery is a problem (This is problem for retail and non-profit mailers as well). It is not uncommon to see up to 20% Saturday delivery now.

Answer: The rationale for such Saturday (early) delivery is often to mitigate the risk of service failures that could occur if delivery of all such mail were deferred until Monday. Load Leveling would resolve the Monday issue without the need for the field to advance as much of the Standard Mail into Saturday. Once Load Leveling is implemented, mailers should see less mail delivered on a Saturday and more mail delivered on a Monday. However, the Postal Service cannot guarantee percentages or percentage ranges of Saturday delivery for mail that, by definition and as reflected in its price, is subject to a range of delivery days.

6. It is understood and accepted that Standard Mail is deferrable. A day-certain delivery is not expected. However, for retail mail and time sensitive catalog mail, early delivery is a problem. The load leveling tests that took place during the fall busy season will not provide the same results as when mail volume is low (summer months). With the USPS' "First-In, First-out" policy industry has seen early delivery even considering the two-to-three day service commitment when mail is entered at an SCF. Industry estimates even more early delivery will result when mail volume is lower than the load leveling test period.

Answer: This rule change will change the manner in which mail is processed across the weekend. Currently extraordinary measures are taken to deliver mail prior to Monday, to minimize the workload. The result is that in some cases, Standard Mail is consistently delivered overnight. As a result of load leveling, we anticipate less of the mail being dropped on Friday and Saturday delivered on the first day of the service standard.

Moving to a new delivery range will not impact our ability to continue to maintain First In, First Out sequence for delivery.

The summer months do represent the time when mail volumes are at their lowest. This also coincides with our highest leave periods due to vacations. So the reduction in volume is offset by the reduction in personnel. We anticipate no wide swings in delivery in the summer.

7. It's hard to make a decision when to drop mail to meet requested in-home dates. Some Post Offices deliver nearly the same day mail hits the SCF and some take 3 to 4 days. With retail, the in-home can be critical to their sales.

Answer: As the revised service standards are implemented and processes stabilized, we expect mailers who utilize IMb Full Service to have similar visibility into the movement of their mail. Although the number of day's mail is in the system may change, we anticipate load leveling to result in more consistent

delivery patterns. Mailers should continue to use visibility tools such as the USPS IMb Planning Tool to plan their mailing patterns.

8. The USPS does not want to deliver on Saturday; does not want to deliver on Monday suggest that the USPS only wants to deliver Standard mail four days per week.

Answer: To the contrary, mail deposited at DSCF on Wednesday currently is expected to be delivered no later than Saturday, and a substantial proportion is delivered on that day. Under the proposed rule change, we will continue to deliver Standard Mail on Monday. We just will not be delivering upwards of 50% of Standard Mail on Mondays. The American public will continue to receive Standard Mail six days a week. The future of Saturday delivery is a matter not wholly within the control of the Postal Service.

Anticipated Savings

9. What is the network-wide, estimated annual savings in labor cost anticipated from full implementation of the plan? If this estimate is not yet available, when will it be?

Answer: We anticipate savings. We have not calculated any national cost savings. The South Jersey test demonstrated a reduction in city carrier overtime, but South Jersey is not necessarily a representative site of every delivery area in the country

10. Has the USPS explored other options and, if so, how do those compare to the load leveling initiative in terms of overtime reduction?

Answer: No other options related to this have been field tested. In the Mailer Technical Advisory Committee (MTAC) Workgroup 157, we discussed changing the CET times but came to the conclusion that having different CETs on Friday and Saturday would be difficult to implement and goes against standardization.

11. We understand the need to control costs, especially those associated with flat mail. Incenting mailers of non-time sensitive mail to enter their mail on days other than Friday would be a good solution. Retailers cannot generally change sales events, dates, inherent in-home date requirements and thus mail entry. A large percentage of flats are not time sensitive. This would have been the preferred solution.

Answer: We recognize the varying needs of mailers who use Standard Mail products, but currently service standards are set at the class level. The Standard Mail products are designed today with a modest level of deferability, which results in a lower price.

Monday Holidays

12. How will this affect mail delivery after a Monday holiday?

Answer: The volume of mail delivered on a Tuesday after a Monday holiday will be the same as it is today. Load leveling will have no effect.

General Questions

13. Will mail be stored in trailers as in the South Jersey test?

Answer: It is not anticipated that mail will be stored in trailers.

14. Will the FSS critical entry time change with load leveling?

Answer: The critical entry times will not change.